

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Chief Financial Officer

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** NOV -3 2006

**SUBJECT:** Fiscal Impact Statement: "NoMa Improvement Association Business Improvement District Amendment Act of 2006"

**REFERENCE:** Bill 16-936 As Introduced

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**Conclusion**

Funds are sufficient in the FY 2007 budget and the FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed legislation.

**Background**

The proposed legislation amends the Business Improvement District Act of 1996 to create the NoMa BID. This amendment levies a tax on nonexempt real properties of:

- \$.15 per rentable square foot of buildings greater than 50,000 square feet,
- \$.05 per \$100 of assessed value for industrial properties with buildings less than 50,000 square feet or unimproved land,
- \$90 per hotel room annually, and
- \$120 per unit for condominium properties.

The amendment further authorizes a 4% increase in the BID taxes.

These taxes are paid in addition to regularly paid property taxes. The new taxes support the BID which is established to promote economic growth and employment in the District.

### **Financial Plan Impact**

Funds are sufficient in the FY 2007 budget and the proposed FY 2007- FY 2010 budget and financial plan to implement the proposed legislation. All pre-existing taxes will be collected from businesses located within the NoMa BID and deposited in the General Fund. The special assessments authorized by this bill would provide additional revenue from NoMa businesses to be used solely for NoMa business development projects.

The proposed legislation will result in reimbursable administrative costs to the Office of Tax and Revenue of \$14,000 in FY 2007 and \$26,000 from FY 2007 through FY 2010.

*Figure 1.*

Estimated Impact to the Financial Plan (S in 000s)					
Item	FY 2007	FY 2008	FY 2009	FY 2010	4 - Year Total
Administration Costs	\$14	\$4	\$4	\$4	\$26